

FREEMAN, DUNN, ALEXANDER, YEATMAN & TILLER

A PROFESSIONAL CORPORATION
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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2004 JAN -6 A 10: 52

December 30, 2003

Ellen L. Weintraub, Chair
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Confidential

RE: MUR 5396
RST Marketing Associates, Inc.

Dear Ms. Weintraub:

This firm has been retained to represent RST Marketing Associates, Inc., (hereinafter referred to as "RST") in the above referenced matter. Enclosed please find an affidavit from Glen N. Thomas, Vice-President of RST, prepared in response to your letter and enclosures dated December 10, 2003.

Once you have had the benefit of more information regarding the usual business practices of RST, I am sure you will realize that its conduct in this matter is indistinguishable from its ordinary non-political business practices. More importantly, these business methods are used by RST in all of its business activities, for both political and non-political clients, and are crucial to its having become a leader in the direct mail industry. RST's conduct in this matter follows exactly the pattern which it uses in all of its business activities.

Unfortunately, the Commission cannot be expected to be familiar with all of the complex commercial details and strategic business planning of this highly competitive business. We believe that the inferences the Commission has drawn from a review of the invoice and payment dates does not support the conclusions asserted in your December 10 letter. We believe that it is clear that RST has acted in a commercially reasonable way and that the collections received were in the ordinary course of RST's routine commercial activity. RST had no intention to make any "contribution" to this or any other political candidate client.

Please refer specifically to Exhibit B to the Thomas Affidavit. RST will gladly provide additional examples, if further evidence is needed.

RST does not believe that the assertions of fact or conclusions of law stated in the Conciliation Agreement are correct. The Commission's recitation of RST's conduct is substantially different than RST's actual management of the Bauer for President 2000, Inc. account. RST did not in

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any regard violate the provisions of any applicable federal election regulations.

RST specifically reserves its rights to confidentiality of these proceedings in this matter as provided by statute, and specifically declines to waive any aspect of its confidentiality rights in this matter.

Please do not hesitate to contact me if you have any questions.

Very truly yours,


F. Patrick Yeatts

Encl.

25-04-44-1070

STATEMENT OF DESIGNATION OF COUNSEL

MUR 5396

NAME OF COUNSEL: F. Patrick Yeatts

ADDRESS: Freeman, Dunn, Alexander, Yeatts & Tiller, P.C.
18321 Forest Road
Lynchburg, VA 24502

TELEPHONE: (434) 385-9456

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

12/30/03
Date

RST MARKETING ASSOCIATES, INC.

BY: [Signature]
Signature

RESPONDENT'S NAME: RST Marketing Associates, Inc.

ADDRESS: P. O. Box 228
Forest, VA 24551

HOME PHONE: N/A

BUSINESS PHONE: (434) 525-1027

AFFIDAVIT

In Re: MUR: 5396 Respondents: RST Marketing Associates, Inc.

COMMONWEALTH OF VIRGINIA, BEDFORD COUNTY, to-wit:

Personally appeared before me, the undersigned Notary Public, Glen N. Thomas, Vice President of RST Marketing Associates, Inc. ("RST"), who, after being first duly sworn, deposes and states:

- 1) He is the Vice President of RST, a direct mail vendor located in Forest, Virginia; and,
- 2) He is personally familiar with all aspects of RST, including the direct mail services provided by RST to Bauer for President 2000, Inc. ("Committee"); and,
- 3) All work performed for the Committee was in RST's ordinary course of business, and all was substantially similar to work performed for other political as well nonpolitical debtors; and,
- 4) Attached as Exhibit A is a list detailing the Committee's last twelve invoices, as well as a history of the Committee's payment history; and,
- 5) Attached as Exhibit B is a list of several nonpolitical clients of RST, which details various invoiced amounts as well as the payment history of each client regarding the same; and,
- 6) As evidenced by Exhibit B, RST often does not receive timely payments from its' clients (political and nonpolitical); and,
- 7) As evidenced by Exhibit B, the risk and size of the Committee's obligations were similar to the risk and size of various other nonpolitical clients of RST during the same period of time; and,
- 8) Although RST's invoices indicate that payment is "due in 30 days", RST typically is paid incrementally over time by political and nonpolitical clients alike; and,
- 9) RST rarely, if ever, sends out subsequent invoices or demand letters so long as the client (political or nonpolitical) is continuing to service its' obligation. RST will often call its' client to prompt the client to make more timely payments; and,
- 10) The action taken to collect the various obligations of RST's nonpolitical clients, as set forth on Exhibit B, was identical to the action taken to collect the obligation of the Committee; and,
- 11) RST has not deviated from any of its' established procedures or practices in dealing with the Committee; and,
- 12) RST believes that its' practices conform to the usual and normal practices in the direct mail industry; and,
- 13) The Committee currently owes RST \$23,931.97, and has most recently made a payment of \$1,631.35 as evidenced by Exhibit A.

25.04.410.1032

RST Marketing Associates, Inc., Respondent

By: 

Glen N. Thomas, Vice President

Subscribed and sworn to before me this 30th day of December 2003 by Glen N. Thomas,
Vice President of RST Marketing Associates, Inc.


Notary Public

My commission expires: 11/30/07

(SEAL)

25.04.10.1073

A

Invoice Date	Invoice #	Amount	Amount Paid	Date Paid	Balance due
03/29/00	7039	\$25,563.32	\$ 1,631.35	08/18/03	\$23,931.97
02/23/00	6878	\$30,968.65	\$ 8,000.00	01/15/01	
			\$ 7,500.00	04/10/01	
			\$10,000.00	06/01/01	
			\$ 2,500.00	11/26/01	
			\$ 2,000.00	10/02/02	
			\$ 968.65	08/18/03	-0-
01/31/00	6825	\$35,406.00	\$ 8,000.00	09/28/00	
			\$10,000.00	11/06/00	
			\$17,406.01	01/03/01	-0-
01/11/00	5773	\$41,792.61	\$17,456.99	05/25/00	
			\$10,000.00	06/30/00	
			\$14,335.62	07/24/00	-0-
01/03/00	5755	\$11,013.11	\$11,013.11	03/03/00	-0-
01/03/00	5763	\$ 5,394.21	\$ 5,394.21	03/03/00	-0-
12/06/99	5575	\$ 9,790.30	\$ 9,790.30	01/03/01	-0-
12/06/99	5576	\$11,772.58	\$11,772.58	05/25/00	-0-
12/06/99	5578	\$62,543.01	\$62,543.01	05/25/00	-0-
12/01/99	5570	\$93,188.78	\$25,000.00	04/10/00	
			\$ 8,227.42	04/28/00	
			\$59,961.36	05/10/00	-0-
10/11/99	5527	\$10,940.47	\$10,940.47	10/22/99	-0-
10/01/99	5528	\$68,797.28	\$68,797.28	10/22/99	-0-



<u>Client</u>	<u>Invoice #</u>	<u>Invoice Date</u>	<u>Invoice Amt</u>	<u>Amt.Pd</u>	<u>Date Paid</u>
		6/21/2000	\$52,245.18	\$10,000.00	10/06/2000
				\$ 5,000.00	11/06/2000
				\$ 5,000.00	11/22/2000
				\$10,000.00	12/14/2000
				\$ 5,000.00	12/21/2000
				\$ 5,000.00	01/12/2001
				\$ 2,500.00	03/05/2001
				\$ 2,500.00	03/06/2001
				\$ 2,000.00	04/09/2001
				\$ 2,500.00	04/19/2001
				\$ 2,745.18	05/18/2001
		10/17/2000	\$22,022.78	\$ 2,077.81	05/25/2001
				\$ 9,944.97	09/06/2001
				\$10,000.00	09/12/2001
		06/28/2000	\$41,103.75	\$10,000.00	09/22/2000
				\$10,000.00	09/28/2000
				\$ 969.66	02/15/2001
				\$ 6,000.00	02/23/2001
				\$ 3,000.00	03/02/2001
				\$ 2,000.00	04/16/2001
				\$ 1,489.46	07/19/2001
				\$ 5,000.00	08/24/2001
				\$ 1,188.40	09/28/2001
				\$ 1,000.00	10/08/2001
				\$ 456.23	10/18/2001
		11/02/2000	\$37,459.30	\$ 8,735.73	04/04/2001
				\$ 5,000.00	06/08/2001
				\$ 5,000.00	06/15/2001
				\$ 4,099.00	06/22/2001
				\$ 4,151.01	07/06/2001
				\$ 5,000.00	07/13/2001
				\$ 2,000.00	07/24/2001
				\$ 3,473.56	08/01/2001